

CLASS ACTION SETTLEMENT NOTICE

UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

IF YOU WERE EMPLOYED AT LOWE'S HOME CENTERS, INC. IN EITHER PENNSYLVANIA OR OHIO DURING ANY TIME FROM MARCH 11, 2000 THROUGH MARCH 15, 2006 AS A DEPARTMENT MANAGER, ASSISTANT DEPARTMENT MANAGER, OR SALES SPECIALIST, AND WERE PAID UNDER THE "SALARIED PLUS OVERTIME ELIGIBLE" PLAN, YOU COULD GET MONEY FROM A CLASS ACTION SETTLEMENT.

A Federal Court authorized this notice. This is not a solicitation from a lawyer.

This is not a notice that you have been sued.

- The \$500,000 Rule 23 Settlement will cover people who either are or were Department Managers, Assistant Department Managers, or Sales Specialists at Lowe's Home Centers, Inc. in either Pennsylvania or Ohio during any time from March 11, 2000 through March 15, 2006 and were paid under the "Salaried Plus Overtime Eligible" Plan.
- Any individuals who consented to join any separate federal Fair Labor Standards Act settlement are not eligible to submit a claim form in the proposed Rule 23 Class Settlement.
- Any individuals who consented to join the federal Fair Labor Standards Act portion of either Evans, et al. v. Lowe's Home Centers, Inc., No. 3-CV-03-0438-ARC (M.D. Pa.), or Smith, et al. v. Lowe's Home Centers, Inc., No. 2:04-CV-00774-GLF (S.D. Ohio), are not eligible to submit a claim form in the proposed Rule 23 Settlement.
- The Rule 23 Settlement, subject to Court approval, resolves a portion of three separate lawsuits alleging that Lowe's failed to fully compensate its Department Managers, Assistant Department Managers, and Sales Specialists for all time worked over 40 hours each week.
- If you are a Class Member (as the term is defined below), your legal rights are affected by the Rule 23 Settlement, regardless of whether you act or do not act. **Read this Notice carefully.**

BASIC INFORMATION

1. Why did I get this Notice package?

You either are or were employed by Lowe's Home Centers, Inc. as either a Department Manager, Assistant Department Manager, or Sales Specialist at any of its Pennsylvania or Ohio retail facilities during any time from March 11, 2000 through March 15, 2006 and were paid under the "Salaried Plus Overtime Eligible" plan.

The Court caused this Notice to be sent to you because you have a right to know about a proposed Rule 23 Settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the Rule 23 Settlement.

This Notice explains this lawsuit, the Rule 23 Settlement, your legal rights, what benefits are available, who is eligible for them, how to get them, and how to exclude yourself from the Rule 23 Settlement.

The Court in charge of the case is the United States District Court for the Middle District of Pennsylvania, and the case is known as Diehl, et al. v. Lowe's Home Centers, Inc., No. 3:06-CV-01464-ARC (M.D. Pa.). The people who sued are called the "Plaintiffs" and Lowe's is called the "Defendant."

This case represents the coordination of three separate lawsuits, Evans, et al. v. Lowe's Home Centers, Inc., No. 3-CV-03-0438-ARC (M.D. Pa.); Diehl, et al. v. Lowe's Home Centers, Inc., No. 3:06-CV-01464-ARC (M.D. Pa.); and Smith, et al. v. Lowe's Home Centers, Inc., No. 2:04-CV-00774-GLF (S.D. Ohio), which were filed between March 2003 and June 2006 against Lowe's (the "Lawsuit"). In each of these lawsuits, the Plaintiffs alleged that Lowe's violated the federal Fair Labor Standards Act and various other state laws through its calculation of overtime compensation under its "Salaried Plus Overtime Eligible" plan for individuals who worked as either Department Managers, Assistant Department Managers, or Sales Specialists in its Pennsylvania and Ohio facilities.

2. What is this lawsuit about?

The Lawsuit claims that Lowe's violated the federal Fair Labor Standards Act and various other state laws by failing to fully compensate Department Managers, Assistant Department Managers, and Sales Specialists at its Pennsylvania and Ohio facilities for all time worked over 40 hours each week. Lowe's has denied these claims and all liability, and has asserted that it fully complied with all relevant state and federal laws.

3. What is a class action?

In a class action, the plaintiffs are called Class Representatives, and they sue on behalf of numerous people who have similar claims. All these people with similar claims are a Class, and each one is a Class Member. You are a member of this Class. One court resolves the claims of all Class Members, except for those who properly exclude themselves from the Class. U.S. District Judge A. Richard Caputo is in charge of this Class action.

4. Why is there a Settlement?

Plaintiffs and Defendants agreed to settle the Lawsuit. That way, they avoid the cost of a trial and any appeals, and current and former Lowe's employees can receive compensation. Lowe's and the Plaintiffs used a mediator to help them settle this case and related litigation, and extensive negotiations led to the Rule 23 Settlement described in this Notice. The parties thoroughly investigated the facts and laws concerning the Lawsuit. Extensive discovery has occurred, which has included, among other things, the review of documents and interrogatories, as well as the deposition of numerous current and former employees of Lowe's. Plaintiffs' lawyers believe that the proposed Rule 23 Settlement is fair and reasonable and in the best interest of the Class because the Rule 23 Settlement creates a \$500,000 Settlement fund and avoids the considerable risks and delays involved in continuing this portion of the Lawsuit. From Lowe's perspective, although it contends it did nothing wrong, settling now means that Lowe's does not have to keep spending money, time, and effort on the Lawsuit which would be contrary to its best interests.

Plaintiffs' lawyers believe the Rule 23 Settlement is fair because they were not certain that the Class would win on any of the claims and even if they did win, they might not get any more money than the \$500,000 that Lowe's agreed to pay as part of the Rule 23 Settlement, for a number of reasons.

For the purposes of the Rule 23 Settlement, everyone who fits the following description is a Class Member:

All Lowe's current or former employees who were employed in a Salaried Plus Overtime Eligible ("SPOE") position in one of Lowe's Ohio or Pennsylvania stores for any period of time from March 11, 2000 through March 15, 2006. Excluded from submitting a claim form are any individual who previously consented to join (1) Smith, et al. v. Lowe's Home Centers, Inc., (formerly No. 2:04-CV-00774-GLF (S.D. Ohio)); (2) Evans, et al. v. Lowe's Home Centers, Inc., (No. 3-CV-03-0438-ARC (M.D. Pa.)); or (3) any other Fair Labor Standards Act ("FLSA") lawsuit not covered by the Settlement that challenges overtime payments under the SPOE Compensation Plan, or who has executed a waiver and release of any claims covered by the Settlement prior to the effective date of the Settlement.

Any individual who has consented to join the federal Fair Labor Standards Act portion of either the Evans, et al. v. Lowe's Home Centers, Inc., No. 3-CV-03-0438-ARC (M.D. Pa.) or Smith, et al. v. Lowe's Home Centers, Inc., No. 2:04-CV-00774-GLF (S.D. Ohio) lawsuits is not eligible to submit a claim in the proposed Rule 23 Settlement. If you have consented to join the federal Fair Labor Standards Act portion of either of these lawsuits, or have previously executed a waiver and release of any claims covered by this Notice, you will not receive a payment under the proposed Rule 23 Settlement.

THE SETTLEMENT BENEFITS – WHAT YOU GET

5. What does the Settlement provide and how much will I be paid?

Lowe's has agreed to create a \$500,000 fund to settle the Rule 23 portion of the Lawsuit. Any funds not paid out of the fund to Class Members will be donated to a charitable or educational organization approved by the Court. The amounts approved by the Court for Plaintiffs' attorney's fees and expenses for their efforts on behalf of the Class will not be deducted from the fund.

After deductions for the cost of notice and settlement administration, the remainder of the settlement fund (called the "Net Settlement Fund") will be distributed to Class Members, on a pro rata basis.

Your share of the settlement fund will depend on a number of factors, including the number of weeks you worked under the Salaried Plus Overtime Eligible plan during the relevant period and how many current and former Lowe's employees seek to recover from the Rule 23 Settlement. **No one will receive more than \$1,000 as part of the Rule 23 Settlement.** Any individuals who consented to join any separate federal Fair Labor Standards Act settlement are also ineligible to submit a claim form in the proposed Rule 23 Class Settlement. The Court is being asked to separately consider these claims.

The Qualified Settlement Administrator will determine what taxes to withhold from any payments. Class members who receive payments are solely responsible for paying any and all taxes based on their receipt of settlement funds and neither Class Counsel nor Lowe's can give you any advice about any such tax payments. If you have any questions about this, you should consult your own personal tax advisor.

6. How can I get a payment?

In order to receive payment under the Rule 23 Settlement, you must submit the attached claim form so that it is received no later than March 4, 2008, to:

OHIO & PENNSYLVANIA LOWE'S RULE 23 OVERTIME SETTLEMENT
c/o Rust Consulting, Inc.
P.O. Box 1506
Minneapolis, MN 55440-1506
(800) 419-5336

These payments will not be made unless and until the Court grants final approval of the Rule 23 Settlement and any appeals from such a final approval order have been completed. A check will then be sent by mail directly to you from the Settlement Administrator.

The Qualified Settlement Administrator can only make payment to people whose claim forms it actually receives. If you want proof that the Qualified Settlement Administrator received your claim form, you should obtain a U.S. Postal Service delivery confirmation.

7. When would I get my payment?

The Court will hold a hearing on January 4, 2008 to decide whether to approve the Rule 23 Settlement. If the Rule 23 Settlement is approved, it is possible there may be an appeal by someone. Please be patient. Information about the progress of the Settlement will be available by writing to the Settlement Administrator.

8. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself, you are staying in the Class. That means that you will irrevocably release, acquit, waive, and forever discharge Lowe's, its current or former parents, subsidiaries, affiliates, predecessors, sister companies, insurers, agents, employees, successors, assigns, officers, officials, directors, shareholders, and attorneys, and their respective pension, profit-sharing, savings, health, and other employee benefit plans of any nature, and those plans' respective trustees and administrators, of and from any and all claims, rights, demands, complaints, causes of action, obligations or liability of any and every kind, damages (including liquidated damages), penalties, costs or fees, including but not limited to all professional fees and costs incurred in relation to the Lawsuit, that were asserted in the Lawsuit or that could have been but were not asserted in the Lawsuit, whether known or unknown, arising out of the alleged facts, circumstances, and occurrences underlying the claims as set forth in the complaints

or amended complaints of the cases described in Section 1 of this Notice. Such claims include any and all claims, complaints, or demands arising under federal, state, local, or municipal law that an employee could or might have against any the released parties concerning or relating to wages or compensation of any nature, including but not limited to salary, hourly pay, commissions, bonuses, overtime compensation, the amount of pay, the timing, means, or manner of payment, or the employee's hours of work, including compensation for time worked or allegedly worked. You would also release the class representatives and their counsel, and all their present or former agents, employees, successors, and assigns from any and all claims relating to, or arising from, the institution, prosecution, settlement or settlement administration of these actions up to the date of the Rule 23 Settlement.

EXCLUDING YOURSELF FROM THE CLASS

If you do not want a payment from the Rule 23 Settlement, and instead want to keep your claims and the right to sue Lowe's on your own, then you must take steps to get out of the Class. This is called excluding yourself from – or “opting out” of – the Class. If you are ineligible to submit a claim in the Rule 23 Settlement because you have previously consented to join the federal Fair Labor Standards Act portion of either the Evans, et al. v. Lowe's Home Centers, Inc., No. 3-CV-03-0438-ARC (M.D. Pa.) or Smith, et al. v. Lowe's Home Centers, Inc., No. 2:04-CV-00774-GLF (S.D. Ohio) lawsuits, you do not need to opt-out of the Rule 23 Settlement. If you opt-out of any monetary claim covered by the Rule 23 Settlement, you may not pursue recovery for that claim at all under the Rule 23 Settlement. You may, however, pursue other legal remedies apart from the Rule 23 Settlement that may be available to you.

9. How do I get out of the Class?

To exclude yourself from the Class, you must send a letter by mail saying that you want to be excluded from the Lawsuit. Be sure to include your name, address, and social security number. To be valid, an exclusion request must be received no later than **December 19, 2007** by:

OHIO & PENNSYLVANIA LOWE'S RULE 23 OVERTIME SETTLEMENT

c/o Rust Consulting, Inc.
P.O. Box 1506
Minneapolis, MN 55440-1506
(800) 419-5336

You cannot exclude yourself by phone or by e-mail.

If you ask to be excluded from the Class, you will not get any Rule 23 Settlement payment, and you cannot object to the Rule 23 Settlement. If you exclude yourself, you will not be legally bound by anything that happens in this Lawsuit.

10. Do I have a lawyer in this case?

The law firms that brought the Lawsuit have been representing you and the other Class Members. These lawyers are called Class Counsel. You can contact these lawyers by calling or writing Peter Winebrake or Robert E. DeRose at the telephone numbers or addresses provided below in Section 11. Also you can send any questions to them at Ohio & Pennsylvania Lowe's Rule 23 Overtime Settlement, c/o Rust Consulting, Inc., P.O. Box 1506, Minneapolis, MN 55440-1506. You also have the right to get your own lawyer, at your own expense.

Class Counsel has worked on this portion of the lawsuit so far without receiving any payments at all for their work or their out-of-pocket expenses. They will ask the Court for attorney's fees and expenses of up to \$187,500, for all of the lawyers who have worked on the Rule 23 Settlement. This amount will include all time spent working on the Rule 23 Settlement to date, as well as any additional time and expenses incurred in the future finalizing the Rule 23 Settlement. Lowe's has agreed not to oppose this request. The Court may award less than the amounts requested. The payments will not come out of the \$500,000 Settlement fund.

OBJECTING TO THE SETTLEMENT

If you object to the Settlement, you can tell the Court.

11. How do I tell the Court that I do not like the Settlement?

If you're a Class Member, you can object to the Rule 23 Settlement if you don't like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send a letter saying that you object to the Settlement in the Ohio & Pennsylvania Lowe's Rule 23 Overtime Settlement. Be sure to include your name, address, telephone number, your signature, and the reasons you object to the Rule 23 Settlement.

In order for your objection to be considered by the Court, it must be **received by the Court, Class Counsel and counsel for Lowe's at the addresses set forth below no later than December 19, 2007.**

Court	Class Counsel	Counsel for Lowe's
Clerk of the Court United States District Court for the Middle District of Pennsylvania Max Rosenn U.S. Courthouse 197 South Main Street Wilkes-Barre, PA 18701	Peter Winebrake, Esq. The Winebrake Law Firm 715 Twining Rd., Suite 114 Dresher, PA 19025 Robert E. DeRose, Esq. Barkan Neff Handelman Meizlish, LLP 360 South Grant Avenue Columbus, OH 43216-1989	Richard L. Wyatt, Jr., Esq. Akin Gump Strauss Hauer & Feld, LLP 1333 New Hampshire Ave., N.W. Washington, D.C. 20036

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You do not need to attend that hearing, but are welcome to attend if you so desire.

12. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Fairness Hearing at 10 a.m. on January 4, 2008 at the United States District Court for the Middle District of Pennsylvania, Courtroom #1, the Max Rosenn United States Courthouse, 197 South Main Street, Wilkes-Barre, PA 18701. At this hearing the Court will consider whether the Rule 23 Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will listen to people who have made a written request to speak at the hearing. After the hearing, the Court will decide whether to approve the Rule 23 Settlement and how much to pay to Class Counsel. We do not know how long these decisions will take.

13. May I speak at the hearing?

In order to speak at the hearing, you must send an objection as set forth in Section 11 and you must also send a letter saying that it is your "Notice of Intention to Appear in Ohio & Pennsylvania Lowe's Rule 23 Overtime Settlement." Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be sent to the Clerk of the Court, Class Counsel, and Lowe's Counsel, at the three addresses shown above in Section 11. In order for you to speak at the hearing, both your objection and your Notice of Intention to Appear must be **received no later than December 19, 2007.** You cannot speak at the hearing if you excluded yourself from the Class.

IF YOU DO NOTHING

14. What happens if I do nothing at all?

If you are considered a Class Member, as defined in Section 4 above, and you do nothing, you will not receive payment but will be bound by the Rule 23 Settlement and will not be able to sue Lowe's in the future regarding the issues relating to this case. **You must timely submit a claim form as described in paragraph 6 to be paid.**

GETTING MORE INFORMATION

15. Are there more details about the Settlement?

Yes. This Notice summarizes the most important aspects of the proposed Rule 23 Settlement. You can get a copy of the entire Rule 23 Settlement Agreement by going to Class Counsel's website, www.bnhmlaw.com or www.winebrakelaw.com or by calling them toll-free at 800-274-5297 for Barkan Neff Handelman Meizlish, LLP or 1-866-500-9243 for the Winebrake Law Firm.

You also may read the Complaint and other pleadings in the Lawsuit, including the Rule 23 Settlement Agreement, during regular office hours at the Office of the Clerk of the Court, Max Rosenn United States Courthouse, 197 South Main Street, Wilkes-Barre, PA 18701. (Refer to case No. 3:06-cv-01464.)

FEDERAL LAW PROVIDES THAT IT IS UNLAWFUL FOR ANY PERSON TO DISCHARGE OR IN ANY OTHER MANNER DISCRIMINATE AGAINST ANY EMPLOYEE BECAUSE SUCH EMPLOYEE HAS FILED ANY COMPLAINT OR INSTITUTED OR CAUSED TO BE INSTITUTED ANY PROCEEDING UNDER OR RELATED TO THE FAIR LABOR STANDARDS ACT ("FLSA"), INCLUDING THIS SETTLEMENT, OR HAS TESTIFIED OR IS ABOUT TO TESTIFY IN ANY SUCH PROCEEDING.

**PLEASE DO NOT CALL THE COURT, THE CLERK, OR
LOWE'S OR ITS COUNSEL ABOUT THIS SETTLEMENT.**

Date: October 15, 2007

/s/ _____
THE HONORABLE A. RICHARD CAPUTO
Judge, United States District Court for
the Middle District of Pennsylvania

CLAIM FORM

OHIO & PENNSYLVANIA LOWE'S RULE 23 OVERTIME SETTLEMENT,

3:06-cv-01464

In order to receive money from the Rule 23 Settlement in the above-referenced action, you must fill out this Claim Form and mail it so that it is received no later than March 4, 2008 by Ohio & Pennsylvania Lowe's Rule 23 Overtime Settlement, c/o Rust Consulting, Inc., PO Box 1506, Minneapolis, MN 55440-1506.

Please provide the following information (please print or type):

Your Name: _____
(Please Print) First, Middle, Last Name

Social Security No.: _____ - _____ - _____

Approx. Dates of Employment: _____ to _____
MM/DD/YYYY MM/DD/YYYY

Current Address: _____
Street or P.O. Box

City State Zip Code

Telephone No.: (_____) _____ - _____

I have read and understand the Class Action Settlement Notice and certify that I was employed by Lowe's Home Centers, Inc. in either Pennsylvania or Ohio during any time from March 11, 2000 through March 15, 2006 and was paid under the "Salaried Plus Overtime Eligible" Plan as either a Department Manager, Assistant Department Manager, or Sales Specialist. I further certify that I have not joined the Fair Labor Standards Act portion of either Evans, et al. v. Lowe's Home Centers, Inc., No. 3-CV-03-0438-ARC (M.D. Pa.) or Smith, et al. v. Lowe's Home Centers, Inc., No. 2:04-CV-00774-GLF (S.D. Ohio). I understand that I am releasing certain claims described in the Class Action Settlement Notice. I further understand that I am responsible for paying any and all taxes based on my settlement payments and that neither Lowe's nor Class Counsel can advise me about this. I certify that the information submitted by me is true and correct, subject to prosecution for perjury.

Date

Signature

If you move after submitting this Claim Form but before receiving money from the Rule 23 Settlement, please send a letter to Ohio & Pennsylvania Lowe's Rule 23 Overtime Settlement, c/o Rust Consulting, Inc.; P.O. Box 1506, Minneapolis, MN 55440-1506 or call (800) 419-5336 to ensure that the Settlement check is forwarded to you.

**OHIO & PENNSYLVANIA LOWE'S RULE 23
OVERTIME SETTLEMENT**

c/o Rust Consulting, Inc.

P.O. Box 1506

Minneapolis, MN 55440-1506

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